

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4146
ANSWERED ON:18.04.2002
COMPANIES ACT REGARDING FILING OF RETURNS
VILAS BABURAO MUTTEMWAR

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government propose to amend the Companies Act to make the provisions more stringent for the companies failing to file their returns, documents, non-payment of deposits etc.;
- (b) whether the defaulting companies have been following the escape route by paying paltry sum of penalties and getting away with pardon by the regulator;
- (c) if so, whether the Government have compiled the list of defaulting companies;
- (d) if so, the investments made by the public put to lot of disadvantage as a result of the existing provisions of the Act; and
- (e) the safeguards proposed to be provided in the proposed Act to protect the interest of the investors?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) to (e): The Companies Act already provides for penalty/prosecution of companies failing to file their returns, documents and for non-payment of deposits. Under the existing provisions of the Act and Rules made thereunder, it is mandatory for companies accepting deposits from public/shareholders and others to file returns of deposits. The provisions in the Act provide for safeguards to the investors. The defaulting companies are not pardoned. Defaulting companies are prosecuted or their offences are compounded.